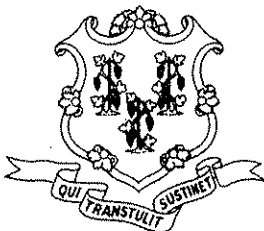


Connecticut General Assembly



OFFICE OF FISCAL ANALYSIS

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January 30, 2009

PRELIMINARY FISCAL NOTE FOR APPROPRIATIONS COMMITTEE

SR 9 and HR 9 RESOLUTION PROPOSING APPROVAL OF AN ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT AND THE AMERICAN FEDERATION OF STATE AND MUNICIPAL EMPLOYEES (AFSCME).

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SR 9 and HR 9 - RESOLUTION PROPOSING APPROVAL OF AN
ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT
AND THE AMERICAN FEDERATION OF STATE AND MUNICIPAL
EMPLOYEES (AFSCME).

PRELIMINARY

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$	FY 11 \$	FY 11 \$ Annualized
Dept. of Correction, Board of Parole	General Fund - Cost	15,417,793	27,013,883	42,030,871	45,831,099
Dept. of Correction, Board of Parole	Other Funds - Cost	206,737	369,193	567,974	627,783
Dept. of Correction, Board of Parole	TOTAL COST	15,624,530	27,383,076	42,598,845	46,458,882

Explanation

This arbitration award for the Correction Officers (NP-4) bargaining unit is submitted for approval for the three-year period July 1, 2008 through June 30, 2011. There are 5,202 full-time employees in this bargaining unit, including 5,127 General Fund employees. Cost details are included below.

In FY 09, this award provides wage increases that are generally in line with increases for other collective bargaining agreements and arbitration awards. This award provides wage increases that are slightly lower in FY 10 and FY 11 than increases for other collective bargaining agreements and arbitration awards for the same time period. The 2007-2009 Biennial Budget includes sufficient funding in the Reserve for Salary Adjustments account to cover the FY 09 costs of this award.

Cost Estimate of Award

All Funds

Correction Officers (NP-4) Bargaining Unit

Agencies Affected: Department of Correction, Board of Parole

Term of Contract: Three years, July 1, 2008 through June 30, 2011

Number of Full-Time Employees Affected by Contract:

5,127 General Fund

75 Other Funds

5,202 All Funds

Average Full-Time Salary Data:

Percent Increase (Cash Basis)

	Salary	Total	General Wage Increase	Annual Increments and Lump Sums	Other
Prior to Contract	\$ 52,898				
1st Year of Contract (FY 09)	54,938	3.86%	2.55%	1.11%	0.20%
2nd Year of Contract (FY 10)	56,299	2.48%	2.18%	0.30%	0.00%
3rd Year of Contract (FY 11)	57,926	2.89%	2.17%	0.30%	0.42%

Percent Increase (Annualized Basis)

	Salary	Total	General Wage Increase	Annual Increments and Lump Sums	Other
Prior to Contract	\$ 52,898				
1st Year of Contract (FY 09)	55,290	4.52%	2.76%	1.53%	0.23%
2nd Year of Contract (FY 10)	57,259	3.56%	2.31%	1.25%	0.00%
3rd Year of Contract (FY 11)	59,466	3.85%	2.29%	1.12%	0.44%

Cost Summary Data (Estimated):

	Prior to Contract	At End of Contract Annualized	Percent Increase (3 years)
Salaries [1]	\$275,174,326	\$ 309,259,773	12.4%
Fringe Benefits [2]			
Value of Current Items	\$103,099,591	\$ 109,105,447	
Negotiated Improvements	-	25,000	
Total Fringe Benefits	\$103,099,591	\$ 109,130,447	5.8%
Total	\$378,273,917	\$ 418,390,220	10.6%

3.4% average per year (compounded)

[1] Salaries include base salary, longevity payments, lump sum bonuses for employees at maximum, meal allowance, shift and weekend differential payments, and working conditions stipends.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, health and life insurance, and tuition reimbursement funds.

Detail of Cost Estimate

All Funds

Contract Items [1]	FY 09	FY 10	FY 11	FY 11 Annualized
First Year (FY 09)				
3% General Wage Increase Effective 7/4/08 (24 pay periods)	\$ 7,010,160	\$ 7,594,340	\$ 7,594,340	\$ 7,594,340
Annual Increments	2,290,971	3,450,460	3,450,460	3,450,460
\$500 Lump Sum Bonuses for 2,719 Employees at Maximum (Includes 174 New Employees at Maximum) [2]	1,359,500	1,359,500	1,359,500	1,359,500
Increase Lump Sum Bonuses for 2,719 Employees at Maximum from \$500 to \$750 per Year	679,750	679,750	679,750	679,750
Increase Meal Allowance from \$8 to \$8.50 per Shift Effective 7/4/08 (24 pay periods)	524,923	568,666	568,666	568,666
Establish On-Call/Standby Pay at \$1 per Hour	19,332	62,064	62,064	62,064
Increase Tuition Reimbursement Fund from \$60,000 to \$75,000	15,000	15,000	15,000	15,000
Total First Year [3]	\$ 11,899,636	\$ 13,729,781	\$ 13,729,781	\$ 13,729,781
Second Year (FY 10)				
2.5% General Wage Increase Effective 6/24/09 (24.64 pay periods)		\$ 6,260,140	\$ 6,604,890	\$ 6,604,890
Annual Increments Delayed Six Months		704,661	3,357,086	3,431,237
Lump Sum Bonuses for 213 New Employees at Maximum		159,750	159,750	159,750
Total Second Year		\$ 7,124,551	\$ 10,121,725	\$ 10,195,877
Third Year (FY 11)				
2.5% General Wage Increase Effective 6/23/10 (24.64 pay periods)			\$ 6,450,342	\$ 6,805,567
Annual Increments Delayed Six Months			707,151	3,168,419
Lump Sum Bonuses for 231 New Employees at Maximum			173,250	173,250
Increase Shift Differential Payments from \$.80 to \$.90 per Hour (25 pay periods)			519,840	540,634
Increase Weekend Differential Payments from \$.55 to \$.65 per Hour (25 pay periods)			183,417	190,753

Contract Items [1]	FY 09	FY 10	FY 11	FY 11 Annualized
Increase Meal Allowance from \$8.50 to \$9 per Shift Effective 6/18/08 (25 pay periods)			546,795	568,666
Increase Tuition Reimbursement Fund from \$75,000 to \$85,000			10,000	10,000
Total Third Year			\$ 8,590,794	\$ 11,457,289
Total Contract Items	\$ 11,899,636	\$ 20,854,332	\$ 32,442,301	\$ 35,382,947
Impact on Part-time Employees	5,358	10,203	15,815	16,098
Impact on Overtime and Holiday Premium Pay	2,609,200	4,572,600	7,113,500	7,758,300
Social Security Costs	1,110,336	1,945,941	3,027,229	3,301,537
Total Cost of Contract	\$ 15,624,530	\$ 27,383,076	\$ 42,598,845	\$ 46,458,882
Estimated General Fund Cost of Contract	\$ 15,417,793	\$ 27,013,883	\$ 42,030,871	\$ 45,831,099
Estimated Other Funds Cost of Contract	\$ 206,737	\$ 369,193	\$ 567,974	\$ 627,783

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls.

[2] \$87,000 of this amount represents the costs of 174 employees receiving their lump sum at maximum payment for the first time in FY 09. Only this \$87,000 is reflected as a percentage increase on the Average Full-Time Salary Data section of this fiscal note.

[3] A new section of the contract was added which codifies a prior agreement between the parties to reimburse employees for the cost of required licenses and certificates. As such, this does not represent an additional cost.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either House thereof for any purpose.